



2002

Massachusetts

Department of

Revenue

Schedule BC  
Brownfields Credit

Name

Federal ID or Social Security number

## General Information

1 Type of business for which property is being used (check only one):

☐ Sole proprietorship ☐ Partnership ☐ S corporation ☐ Corporate trust ☐ Corporation☐ Corporation included in a combined return (enter name and Federal Identification number of principal reporting company):☐ Other (specify) \_\_\_\_\_

2 Type of return this schedule is filed with \_\_\_\_\_

3 Location of project \_\_\_\_\_

4 Date of filing of Response Action Outcome Statement or Remedy Operation Status Submittal with DEP (attach copy) \_\_\_\_\_

## Allowable Tax Credit Percentage

5 Enter .25 if cleanup results in Activity and Use Limitation (AUL), or .5 if cleanup results in unlimited use . . . . . 5

## Computation of Current Year Brownfields Credit

6 Briefly, but accurately, describe purchases of qualifying property for the Brownfields Credit. Complete details must be available upon request.	Date acquired	Assessed value prior to remediation	Cost of cleanup (after July 31, 1998)

7 Total costs. The cleanup costs must exceed 15% of the assessed value of the cleanup area to claim the credit. . . 7

8 Current year Brownfields Credit. Multiply line 7 (cost of cleanup) by .25 or .5, whichever applies. . . . . 8

9 Brownfields available this year. Add line 8 and prior year's unused Brownfields (from 2001 Schedule BC, line 17c) 9

10 Credit available for use in current year by corporate taxpayers. See instructions. Corporate taxpayers enter this amount on Form 355, line 13; Form 355C, line 13; or Form 355S, line 15. . . . . 10

## Taxpayers Subject to Tax Under MGL Ch. 62

11 Total tax for determining allowable credit. Form 1, line 29; Form 1-NR/PY, line 33; Form 2, line 42; Form 3F, line 24 . . . . . 11

12 Total of Limited Income Credit, Credit for Taxes Paid to Other Jurisdictions, Lead Paint Credit, Energy Credit, Full Employment Credit, Equal Opportunity Area Credit, Low-Income Housing Credit and Septic Credit, if any. . . 12

13 Subtract line 12 from line 11. Enter result. Not less than "0". . . . . 13

14 Enter 50% of line 13 here. . . . . 14

15 Brownfields Credit available this year. Enter amount from line 9 . . . . . 15

16 Brownfields Credit allowable for use in current year. If line 14 is greater than or equal to line 15, enter amount from line 15. If line 14 is less than line 15, enter amount from line 14 . . . . . 16  
Enter amount from line 16 on Form 1, Schedule Z; Form 1-NR/PY, Schedule Z; Form 2, line 43; or Form 3F, line 28.

## Carryover to Future Years

17 Maximum amount of credits for conversion to five-year carryover status:

Year	a. Unused credits from prior years and current year credit	b. Portion used this year	c. Unused credit available Subtract col. b from col. a	
			Amount	For
1999	(2001 Sch. BC, line 17) _____	_____	_____	2003–2004
2000	(2001 Sch. BC, line 17) _____	_____	_____	2003–2005
2001	(2001 Sch. BC, line 17) _____	_____	_____	2003–2006
2002	(2001 Sch. BC, line 8) _____	_____	_____	2003–2007
18 Totals	_____	_____	_____	_____

# Schedule BC Instructions

## General Information

### What Is the Brownfields Credit?

The Brownfields Credit (BC) is a tax credit designed to encourage private sector investment in the cleanup of contaminated sites in economically depressed areas. The Brownfields Act of 1998 ends liability for innocent owners and operators once they meet DEP's cleanup standards for oil and hazardous material releases. See TIRs 99-13 and 00-9 for further information.

### What Is an Eligible Site?

To qualify for this credit, a site must be located in an "Economically Distressed Area." A list of economically distressed areas can be obtained from the Governor's Office of Brownfields Revitalization, 10 Park Plaza, Boston, MA 02116.

### Who Is Eligible to Take the BC?

The credit is available to all businesses regardless of whether the business is a sole proprietorship, partnership, corporate trust or corporation. The taxpayer must be an owner or operator who did not own or operate the site at the time of the contamination and did not contribute to the contamination at the site. The site must be used for a business purpose. The taxpayer must complete the cleanup and submit a Response Action Outcome Statement or Remedy Operation Status Submittal document prior to claiming the credit.

### What Is the Allowable Tax Credit?

A credit of 25% of the cleanup costs is allowed for a cleanup that achieves and maintains a permanent solution or remedy operation status that results in limited use of the property. A credit of 50% of the cleanup costs is allowed for a cleanup that achieves and maintains a permanent solution or remedy operation status that makes the site safe for unrestricted use.

### Are There Special Requirements to Obtain the Credit?

Yes. Costs must be incurred between August 1, 1998 and January 1, 2007. Costs must be greater than 15% of the assessed value of the property prior to cleanup. The site must be reported to the DEP.

### Are There Limitations to the Credit?

Yes. Taxpayers subject to tax under MGL Ch. 62 (sole proprietorships, trusts, corporate trusts, partnerships and S corporations) are allowed to use the credit to offset up to 50% of their tax due. Corporations may offset up to 50% of the excise due with the credit. Corporations cannot use the credit to lower their excise below the minimum tax.

### May Excess Credits be Carried Over From Year to Year?

Yes. Taxpayers subject to tax under MGL Ch. 62 may carryover unused credits for five years. Taxpayers subject to tax under MGL Ch. 63 may carry over for five years any credits not used due to the 50% or minimum excise limitation.

## Line Instructions

**Taxpayers who are subject to MGL Ch. 63:** Corporations who file Form 355, 355C or 355S must complete lines 1 through 10, 17, and 18.

**Taxpayers who are subject to MGL Ch. 62:** Taxpayers who are subject to MGL Ch. 62 must complete lines 1 through 18. Lines 11 through 16 are used to calculate the amount of credit that can be used this year. Taxpayers can offset up to 50% of their tax due with the BC. Lines 17 and 18 are used to calculate the amount of the credit to be carried over to future years.

**Line 1.** Check the type of business for which the property is being used.

**Line 2.** Enter the type of return that you file. Attach a copy of this schedule to your return.

**Line 3.** The location of the qualified project should be entered here.

**Line 4.** Enter the date the Response Action Outcome Statement or Remedy Operation Status Submittal was filed with DEP.

**Line 5.** Enter .25 if limited use results or .5 if unlimited use results.

If you are an S corporation shareholder, you will be notified by the S corporation of the amount to enter in line 8. If you are a general or limited partner you will be notified by the partnership of the amount to enter in line 8. You must still complete lines 1 through 4.

**Line 6.** Enter here an accurate description of the qualifying property. Also list the date of acquisition, assessed value of property prior to cleanup, and cost of cleanup.

**Line 7.** This is the total cost of the cleanup.

**Line 8.** Multiply line 7 by 25% or 50%, whichever applies. This equals the current year BC.

**Line 10.** Corporate taxpayers cannot reduce the tax due below the minimum corporate tax of \$456 or reduce the tax due by more than 50% using the BC. Enter the allowable credit that will be used in tax year 2002 in line 10 and also in the appropriate corporate form. Skip to line 17.

**Line 11.** Enter in line 11 your total tax from Form 1, line 29; Form 1-NR/PY, line 33; Form 2, line 42; or Form 3F, line 24.

**Line 12.** Add other credits, if any. Enter the result in line 12.

**Line 13.** Subtract line 10 from line 9 and enter the result here. Do not enter less than "0."

**Line 14.** Enter 50% of line 13.

**Line 15.** Enter the amount from line 9.

**Line 16.** If line 14 is greater than or equal to line 15, enter line 15 here. If line 14 is less than line 15, enter line 14 here.

Enter the amount from line 14 on Form 1, Schedule Z; Form 1-NR/PY, Schedule Z; Form 2, line 43; or Form 3F, line 28.